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INDUSTRY UPDATE

Sales Stay Strong: Inventory Offerred

Continuing a trend seen since the year began, sales of combines and all tractors over 40 horsepower continued on the upswing through May. Combines were particularly strong, up 88 percent over 1989. The Equipment Manufacturers Institute announced it will release field inventory data for the products covered in the flash report. The April inventory figures were released along with the May report.

U.S. - UNIT RETAIL SALES

Equipment	May 1990	May 1989	% Change	January-May 1990	January-May 1989	% Change	April 1990 Inventory* N. American & U.S. Field
Farm Wheel Tractors:							
2-Wheel Drive							
Under 40 HP	5,393	5,730	(5.9)	19,220	19,878	(3.3)	47,721
40 & Under 100 HP	4,021	3,353	19.9	16,980	14,847	13.8	22,545
100 HP & Over	1,665	1,562	6.6	10,527	8,908	18.4	11,259
Total 2-Wheel Drive	11,079	10,645	4.1	46,687	43,628	6.9	81,525
Total 4-Wheel Drive	660	507	30.2	1,294	1,001	26.0	2,898
Total Farm Wheel Tractors	11,569	10,992	5.1	48,941	45,629	7.7	84,383
Combines (Self-Propelled)	813	441	84.4	3,199	1,695	88.1	5,187

*The Agricultural Equipment Statistics Committee has voted to have the latest inventory data for products listed on the Flash report be published.

4-Wheel Units Move— Remainder Sluggish

Sales of most farm machinery and implements for the first four months of 1990 remained below 1989 levels in Canada, reversing the typical pattern of the northern nation staying in step with U.S. sale trends. The Canadian Farm & Industrial Equipment Institute, in releasing April sales figures, noted that only large four-wheel-drive units appeared to be moving well in the West. The CFIEI traced some of the weak sales to concerns over government policies favoring high interest rates.

U.S. - UNIT RETAIL SALES

Equipment	April 1990	April 1989	% Change	April-Ytd 1990	April-Ytd 1989	% Change
Farm Wheel Tractors:						
2-Wheel Drive						
Under 40 HP	352	383	-8.1	972	944	3.0
40 & Under 100 HP	731	833	-12.2	2,071	2,597	-20.3
100 HP & Over	359	358	0.3	927	890	-17.0
Total 2-Wheel Drive	1,442	1,574	-8.4	3,970	4,431	-14.6
Total 4-Wheel Drive	182	157	15.9	578	456	26.8
Total Farm Wheel Tractors	1,624	1,731	-6.2	4,548	4,887	-10.8
Combines						
Self-Propelled	64	41	56.1	217	146	48.6
Pull Type	7	3	133.3	22	45	-51.1
Balers						
Rectangular Balers	75	83	-9.6	186	242	-23.1
Round Balers	288	184	56.5	572	507	-12.8
Swathers						
Self Propelled	29	14	107.1	86	86	0.0
Pull Type	12	9	33.3	61	67	-9.0
Forage Harvesters						
Shear Bar Type	25	20	25.0	76	74	2.7
Mower Conditioners	163	162	0.6	394	423	-6.9

Deere Elects Top Execs

To fill some positions vacated by the June 1 retirement of Deere & Co. Chairman Robert A. Hanson, the firm's board of directors has elected Hans W. Becherer, previously president and chief executive officer, to chairman and chief executive officer.

David H. Stowe Jr., formerly executive vice president, was elected to president and chief operating officer. Several other elections were also announced.

Becherer, 55, joined Deere & Co. in 1962 and served in European marketing and management positions before being elected in 1977 as vice president for marketing operations in Latin America, Australia and the Far East. He was elected senior vice president of the overseas farm and consumer products division in 1983, and also elected executive vice president, worldwide farm equipment and consumer products. He joined the board of directors in February 1986, was elected president and chief operating officer in April 1987, and became president and chief executive officer last August.

Stowe, 53, joined Deere & Co. in 1968 and held several management positions in North America and overseas. He was appointed vice president in charge of overseas marketing for the industrial equipment division in 1981 and was elected senior vice president in charge of the division in 1982, when he also joined the board of directors. He was elected executive vice president of the worldwide agricultural equipment and consumer products division in 1987.

Elected to succeed Stowe as executive vice president was Bill C. Harpole, 56, who had been senior vice president, worldwide parts and logistics division. Harpole was also elected to the board of directors.

The board also elected Bernard L. Hardiek to senior vice president, worldwide parts and logistics division, succeeding Harpole. Hardiek, 50, previously was vice president for business development, planning and taxation, a post he assumed in 1988. He joined Deere & Co. in 1979 as director of taxes, after 17 years with the Internal Revenue Service.

The board reached outside the corporate structure and also elected to the board of directors Crandall C. Bowles, who since 1982 has been president of The Springs Co., a South Carolina based business with a variety of interests including manufacturing, insurance, a railroad, machine tool operations and real estate developments. □

H.M. Catalog Highlights Drive Belt Components

H.M. Mfg. Co. has a 24-page catalog highlighting its custom and standard belt drive system components.

H.M. Mfg., 509 Estes Ave., Schaumburg, IL 60193; Phone 708-980-9293.

C3450-1

VINEYARD TECHNOLOGY

IMPLEMENT & TRACTOR

The Business Magazine of the Agricultural, Industrial & Outdoor Power Equipment Industry

VOLUME 105 NO. 8 AUGUST 1990

Creative Ads Lure Small Operator

KEEPING PLENTY OF SMALL TO mid-sized tractors in stock is one secret to Eddie Black's success.

By JIM HUDSON

EDDIE BLACK is a master at meeting his customers' needs, often before they have realized the needs themselves.

That special talent helped him sell 100 new Massey-Ferguson tractors his first year in business and 60 new tractors the first half of this year, through Black Enterprises of York, S.C.

Only one of his customers was a farmer. Most of the rest are small landowners (from five to 15 acres) who work in the Charlotte, N.C., area and live in the country.

"They make a good salary and they own a little land," Black said. "You show me one normal, red blooded American male who lives in the country who doesn't want a tractor. It's my job to convince them they can afford the tractor they want."

Black uses frequent, local newspaper advertising to get potential customers into his business. He writes the advertisements himself and runs the ads in cooperation with two nearby Massey-Ferguson dealers.

"Massey pays me 30 percent of

(See BLACK, pg. 4)

Royal Touch Pulls Thousands to Ag Expo

By CAL PIGG

A farm show where blue jeans are out of place—even crisply pressed jeans?

Blue jeans just aren't up-scale enough for the Royal Show, the annual national agricultural exhibition of Great Britain. There was nothing casual about either the attire or the curiosity of the 200,000 coat and tie adorned farmers and farm supply representatives, plus several thousand foreign visitors, who attended the most recent extravaganza here.

Indeed an up-scale agricultural show, this is the British farmer's touch with royalty, his annual social event and his review of what's new in agricultural technology.

Where else can you find plant breeders growing their new crop releases in well-tended plots for visitors to inspect, 10 acres of farm machines and 7,000 head of livestock on display at the same place—1,200 trade exhibits in all?

Where else can you gather information on red deer farming for venison production, wild boar production for meat consumption, or learn how to thatch a roof from wheat straw?

The 151st annual show held this summer at the National Agriculture Center near Stoneleigh in central England is a showplace for British agricultural technology as this country strives to hold its own and turn new sod among nations in a fast-changing world.

In opening remarks to this year's exhibition, David Scott, chairman of the Council of the Royal Agricultural Society of England, said "Agriculture and food is a global business and likely to be more so, and it is in

(See ROYAL, pg. 7)

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INDUSTRY UPDATE

Sales Stay Healthy Through 1st Half

The first six months of the year saw robust farm machinery sales, especially among combines and the higher-horsepower tractor categories, where price tags and profits should be best for dealers' bottom lines. Figures from the Equipment Manufacturers Institute, which now include inventory levels, show the industry with about six-months worth of stock on hand except in tractors under 40 hp, where inventories were nearly as large as the roughly 47,000 small tractors sold in all of 1989.

U.S. - UNIT RETAIL SALES

Equipment	June 1990	June 1989	% Change	January-June 1990	January-June 1989	% Change	May 1990 Inventory N.A. Factory & U.S. Field
Farm Wheel Tractors:							
2-Wheel Drive							
Under 40 HP	5,400	6,130	(11.9)	24,639	26,007	(5.3)	45,200
40 & Under 100 HP	4,515	3,951	14.3	21,409	18,790	13.9	22,470
100 HP & Over	1,304	1,287	1.3	11,841	10,190	16.2	11,797
Total 2-Wheel Drive	**11,219**	**11,368**	**(1.3)**	**57,889**	**54,987**	**5.3**	**79,467**
Total 4-Wheel Drive	**465**	**292**	**59.2**	**2,749**	**2,093**	**31.3**	**2,682**
Total Farm Wheel Tractors	**11,684**	**11,660**	**.2**	**60,638**	**57,080**	**6.2**	**82,149**
Combines (Self-Propelled)	951	766	24.2	4,117	2,451	68.0	5,239

Fiat, Ford Form New Company

Fiat Group and Ford Motor Company announced recently that they have reached an agreement involving their worldwide tractors, farm and industrial equipment operations.

A new company, to be formed, will incorporate Fiat's subsidiary FiatGeotech and Ford New Holland. Fiat will have an 80% majority interest. Ford will hold the remaining 20% and will receive a cash paymet from Fiat. The agreement to form the new company is subject to governmental approvals.

The new company intends to preserve the individual market and product identities of both FiatGeotech and Ford New Holland.

FiatGeotech is based in Italy, and has plants in Italy, Brazil, France and the United States. FiatGeotech has over 13,000 employees and relies upon 2,300 dealers worldwide. Its revenues in 1989 reached $2.3 billion. Ford New Holland is headquartered in New Holland, Pennsylvania, and employs almost 18,000 people in plants and offices, primarily in the United States, Canada, Great Britain, Belgium and Brazil. There are 3,700 Ford New Holland dealers worldwide. Revenues in 1989 were $2.8 billion.

Based on their 1989 results, FiatGeotech and Ford New Holland had sales of 95,000 agricultural tractors and an additional 30,000 tractors produced in joint ventures or under license. Sales of other agricultural and industrial products totalled more than 54,000 units.

Cesare Romiti, Fiat's president and chief executive officer, said, "Our primary objective, in creating this new company, is to profit from the existing strengths of the two subsidiaries. We recognize that these two organizations, when combined, will complement each other remarkably well with a truly global presence in virtually every world market. This arrangement, once again demonstrates Fiat's longstanding tradition of internationality."

Ford Motor Company's president and chief operating officer, Philip E. Benton, Jr., said: "Fiat considers agricultural and industrial equipment to be an integral part of its core business strategy and stands ready to support the new company in the continued development of best-in-class products of the highest quality." He also said that, "Ford is confident that this arrangement is in the best interests of Ford New Holland's employees, customers, dealers and suppliers."

As the majority shareholder in the new company, Fiat intends to provide substantially comparable pay and benefit packages to Ford New Holland employees and the honor existing collective bargaining agreements. □

Deutz to Market Ruggerini Engines

Deutz Corp. of Atlanta, Ga., has reached agreement to handle North American marketing of a number of smaller diesel engines from Ruggerini Motori S.p.A. of Reggio Emilia, Italy. The move extends the Deutz range downward with a line of modern high-speed models.

Deutz will provide parts and service for Ruggerini engines already operating in North America and handle future sales and service support. The engines will be sold under the Deutz-Ruggerini name. Deutz's U.S. sales topped $100 million last year. Ruggerini, established in 1919, makes about 45,000 diesels annually.

EMI on the Move

The Equipment Manufacturers Institute will soon have a new address: 10 S. Riverside, Chicago, Ill. That's almost diagonally across The Loop from the long-term address at 410 N. Michigan in the Wrigley Building. The move is expected to take place in mid-August.

Injuries Reduced

Should a customer be unable to accept the "deadman" controls and other safety features of your walk-behind lawnmowers, here's something to advise them: injuries from the little grass grinders are down about 40 percent between 1984 and 1989, according to the Consumer Products Safety Commission. The safety equipment became industry-standard in 1982. This according to a recent Outdoor Power Equipment Institute newsletter.

Another study found that animals, not machines, are the largest single source of injury to farmers.

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IMPLEMENT & TRACTOR

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VOLUME 105 NO. 9 SEPTEMBER 1990

'Cat' Dealer Tracks Customers

By T.J. BURNHAM

IN THE LAND where the brand was named, Caterpillar dealers are plowing fresh farm furrows of sales opportunities, capitalizing on the increasing popularity of those "new" rubber-track Challenger 65s.

In California, where the tracklayer was developed and popularized by Caterpillar-founders Best and Holt—engineering leaders who introduced the non-wheel variety well before World War I put their treads on tanks—revolutions in the industry are ongoing.

Best and Holt, who also put the first diesel tractor on line in this nation, pioneered the tracklayer in the US, finally merging to form Caterpillar in 1924.

Now, says a northern California dealer, new history is being made by the company.

"The Challenger 65 has met with great popularity among farmers," says ag salesman Wes McKeen, who heads up farm sales at Tenco, the big Sacramento Valley "Cat" dealer located near Sacramento.

"With the introduction of the rubber track three years ago, some farmers wanted to wait to see how it would work. Now, we're seeing a steady growth in sales as producers have had a chance to look at neighbor's machines, or their own rented Challengers."

Caterpillar is rich in California heritage. Best, in Stockton, California, and Holt, headquartered in San Leandro nearby, gave crawlers their heritage. Suddenly, mule skinners who drove animal-tugged harvesters became known as "Cat" skinners, piloting the clanking, puffing and heavier track machines instead of

(See BIG, pg. 12)

CHALLENGER 65s, like this one, are making bold new inroads into tracklaying tractor sales throughout California, explains Tenco salesman Wes McKeen.

Ford, Fiat Merger Brings Speculation

By SCOTT NESBITT

THE FORD-FIAT merger, if approved by various governments, would create the world's largest farm/construction machinery company and give the new firm a broader range of products than either of them has at present.

Mounds of details must be ironed out, and governments here and abroad must give their blessing to the union, but the prospect of the merger taking place has given rise to some interesting facts and some rampant conjecture about the two organizations.

"I really don't know that much about them, but my gut feeling on Fiat is I'd rather be playing with these guys than against them," commented Ron Kohlert, chairman of the Ford New Holland North American dealer council.

Kohlert, of Highline Farm Equipment, Wetaskiwin, Alberta, Canada, said there's a generally positive reaction to Fiat's agreement to take 80 percent control of a new company that would be formed out of FNH

(See FORD-FIAT, pg. 8)

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